

WASHINGTON OFFICE:

115 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-4906
FAX: (202) 225-4987

HAWAII OFFICE:

5104 PRINCE KUHIO FEDERAL BUILDING
HONOLULU, HI 96850-4974
(808) 541-1986
FAX: (808) 538-0233

NEIGHBOR ISLAND TOLL FREE NUMBERS:

BIG ISLAND	935-3756
KAUAI / NI'HAU	245-1951
MAUI	242-1818
LANAI	565-7199
MOLOKA'I	552-0160

ed.case@mail.house.gov
www.house.gov/case



CONGRESSMAN ED CASE

2ND DISTRICT, HAWAII

ISLANDS OF HAWAII, MAUI, KAHOLAWE, LANAI,
MOLOKA'I, O'AHU (WINDWARD, NORTH SHORE,
CENTRAL, LEEWARD), KAUAI AND NI'HAU,
AND NORTHWESTERN HAWAIIAN ISLANDS

August 2006

COMMITTEES:**BUDGET****AGRICULTURE**

LIVESTOCK AND HORTICULTURE
(RANKING MEMBER)

CONSERVATION, CREDIT,
RURAL DEVELOPMENT AND RESEARCH

SMALL BUSINESS

TAX, FINANCE AND EXPORTS

REGULATORY REFORM
AND OVERSIGHT

RURAL ENTERPRISES, AGRICULTURE
AND TECHNOLOGY

2006 Education Report

Dear Educators:

I am proud and humbled to have served our Hawaii in Congress since 2002. Our great state includes the children and communities served by you and your colleagues in our Hawaii public schools, and I reiterate my deep appreciation for your dedication to the honorable profession of education. I'm especially thankful for the warm welcome I've received while visiting many of our schools.

As the 109th Congress (2005-2006) winds down and another school year starts, education continues as one of my and my constituents' highest priorities. I continue to join with like-minded colleagues, on my U.S. House Education and the Workforce Committee (on leave for the 109th to serve on the Budget Committee) and otherwise, to advance our mutual commitment to education.

In the big picture, our challenges this Congress have been even more difficult than the 108th Congress (2003-2004). This is largely because we have seen an accelerating effort to reduce federal resources to public education while increasing mandates.

The No Child Left Behind (NCLB) Act continues as the major federal challenge for our schools nationwide as a result of inadequate federal support and inflexibility. And the promised federal financial commitment to special education remains elusive.

This report to you on public education has three purposes. The first is to summarize Congress' and my activities on education. The second is to let you know what my congressional office can and wants to do for you. And the third is to ask for your input on how I can assist you and Hawaii public education with the challenges we face. I would very much appreciate it if you would share this letter throughout your school community; I've posted this report on my website at www.house.gov/case to allow you to reference and forward it.

Please be assured of my continued commitment to public education and to you and yours. I am truly thankful for the opportunity to be your Congressman, and look forward to continuing to work with you and so many others to better our Hawaii's future.

With deep aloha,

Ed Case

A. Selected Education Issues in the 109th Congress

1. Fiscal Year (FY) 2006 Education Funding

Our federal government provides approximately eleven percent of Hawaii's total education budget. For current fiscal year (FY) 2006 (October 1, 2005-September 30, 2006), that totals approximately \$231 million (figure includes funds for K-12 education as well as higher education).

This is significantly less than amounts required to fulfill federal mandates under NCLB. In fact, NCLB has been underfunded by more than \$40 billion since it was enacted in 2001.

Additionally, the federal government has not made real progress on its commitment to provide 40 percent of all IDEA special education costs. Instead, the federal share (\$46.4 million) of special education continues to decrease, from 18.6 percent in 2005 to 17.8 percent in 2006 to a projected 17 percent in 2007. An additional \$1 billion would be needed to restore the federal share to its 2005 level.

2. FY 2007 Education Funding

The U.S. House has postponed full House consideration of H.R. 5647, the FY 2007 Labor-HHS-Education Appropriations Bill, until at least after the current August district work period. This is most unfortunate but understandable, given that initial versions continue the adverse trends reflected in the FY 2006 appropriations law.

Under the appropriations subcommittee-reported version of H.R. 5647, NCLB programs were further underfunded by nearly \$500 million (2.1 percent) below FY 2006 and \$1.5 billion (6.2 percent) below FY 2005. The federal government's IDEA share was further reduced to 17%. I enclose a breakdown of current education programs under that version.

The obvious consequence of this continuing trend is a diversion of available resources from critical programs not required by NCLB or IDEA to programs implementing those federal mandates. This is fundamentally unfair, not to mention bad policy, and requires a fundamental mindset change in today's Washington to rebalance federal education obligations and funding.

3. No Child Left Behind

a. Generally. Of course, the single most problematic federal law with respect to public education nationally at present, in terms of both application and funding, is NCLB. I have posted on my website two reports from the Congressional Research Service, the nonpartisan research branch of the Library of Congress, summarizing NCLB as enacted in 2001 and the status of implementation. Please go to http://www.house.gov/case/education_report_2006.html and click on the two NCLB reports in the list of CRS items.

I have worked with many like-minded colleagues on several funding and application reforms, some of which are summarized below. In the big picture, it appears these efforts will have to await reauthorization in the 110th Congress (2007-2008) as part of the reauthorization of the Elementary and Secondary Education Act (ESEA).

b. Co-sponsorship of H.R. 2569, the No Child Left Behind Improvement Act.

In preparation for those reauthorization debates and to advance reform in the current 109th Congress, I have discussed with many Hawaii teachers, educators, and administrators the challenges of compliance with NCLB. To address these challenges, I co-introduced H.R. 2569 with my colleague and principal sponsor, Representative Robert Andrews of New Jersey.

H.R. 2569 makes several key improvements to NCLB in the area of high standards for teachers, requirements for special education and ESL students, and AYP testing of students. Specifically, H.R. 2569 improves NCLB in the areas of:

Highly Qualified Teachers – NCLB was intended to ensure high standards for our teachers. However, the law was not intended to interfere with successful state standards, such as the ones we have in Hawaii. The correct interpretation of NCLB, as intended by Congress, is to allow teachers, in states with high standards, to continue to be certified by their state. This bill makes this correction by allowing state education departments with high standards to determine a teacher's qualifications. This provision would apply only to experienced teachers at the initial passing of NCLB in 2001.

Highly Qualified Teachers in a Corrections or Special Education Setting – With respect to teachers in corrections or special education settings, current law required them to be certified in the subject that they are teaching (math, science, etc.) in order to achieve highly qualified status, but not to be certified to teach special education. We believe that teachers in these special circumstances should primarily be certified to teach in a special education or corrections setting. If they meet this requirement, they should be granted a transition period during which they must obtain subject specific qualification.

Appropriate Special Education Student Testing - Children who are classified as special education students should not be required to take the same mainstream tests as other students. Rather, these children should be given a test that can accurately measure their progress and these tests should be established by each student's IEP team. Furthermore, H.R. 2569 required USDOE to compile a menu of approved evaluative tools from which the IEP team can select to compile tests for these students.

Appropriate ESL Student Testing – ESL students should have a two-tier process for determining their progress. Our bill would allow these students to be given an English proficiency test before they are given the mainstream tests. Students who do not demonstrate English proficiency will not be required to take the mainstream test until they demonstrate English proficiency. This is a fair and reasonable measure of an ESL student's development.

Longitudinal Testing – As you know, the manner in which AYP currently measured is determined by comparing scores of last year's class to this year's class. This does not make any sense, as it does not actually measure the progress of a group of students. Instead, H.R. 2569 would determine AYP through longitudinal testing. In other words, this year's fourth grade class should be

required to show improvement over the results that they exhibited when in third grade. This method of longitudinal testing would show progress (or lack thereof) of students.

H.R. 2569 has been referred to our House Subcommittee on Education Reform in the Education and the Workforce Committee. We continue to work with like-minded colleagues toward these and other reforms to retain the primary points of NCLB while allowing more reasonable and flexible application.

c. Additional NCLB & IDEA Co-Sponsorship. To address the funding shortfalls of both NCLB and IDEA, I am a co-sponsor of H.R. 363, which would require mandatory full funding of NCLB and IDEA to authorized levels. Additionally, I am a co-sponsor of H.R. 2694, which would suspend the consequences of NCLB until it is fully funded. I am also a co-sponsor of H.R. 1107, which requires mandatory full funding of IDEA. If you would like to track the progress of this or any other legislation, please visit my website at www.house.gov/case, click on FEDERAL LINKS on the left-hand side of the webpage, and click on STATUS REPORTS ON LEGISLATION.

4. H.R. 2178, the Student Bill of Rights

There is a significant educational opportunity gap in states like Hawaii with low-income, urban, rural, and minority students. Closing this gap is critical to our national and state future.

H.R. 2178, the Student Bill of Rights (H.R. 2178), was introduced by my colleague, Representative Chaka Fattah of Pennsylvania. This initiative, which I have cosponsored, would require that all students have access to the educational resources necessary to succeed. This legislation would clarify and fund broad requirements of:

- satisfactory or ideal access to quality fundamentals of educational opportunities (i.e. teachers and principals, curricula, small classes, textbooks and materials, libraries, facilities and computers, guidance counselors, and etc);
- comparable educational services among all school districts; and,
- compliance with laws and regulations concerning the system's adequacy and equity.

H.R. 2178 has also been referred to the House Subcommittee on Subcommittee on Education Reform in the Education and the Workforce Committee.

5. H.R. 5928 the 21st Century High Performing Public School Facilities Act

We are all painfully aware that many of our schools, not just in Hawaii but nationally, are in need of extensive repair or replacement. When schools begin to deteriorate, so does student achievement, as such conditions not only make it harder for teachers to teach and students to learn, but also threaten students' and teachers' health and safety.

Our federal government has not generally participated directly in school repair and maintenance funding, but I believe it's time for some limited and targeted assistance. I am a cosponsor of H.R. 5928, the 21st Century High Performing Public School Facilities Act, introduced by Representative Ben Chandler of Kentucky.

This initiative would literally strengthen our education system by authorizing grants and loans to school districts for modernization and construction of schools. School districts with greater numbers or percentages of low-income students that demonstrate a need for modernizing or constructing new schools would be given priority.

Technological updates are also clearly needed to improve student achievement. For example, by improving student workstations and internet accessibility, standardized testing can be conducted online. This bill would allow for teachers to receive results immediately, thereby serving as a diagnostic tool for student academic weaknesses before the students have moved on to another grade. The bill would also provide assistance to eligible school districts for teacher technology training.

Poor indoor air quality, which the Environmental Protection Agency's Science Advisory Board lists as one of the top five human health hazards, is a problem for more than half of America's schools. Moreover, one school in five nationally has inadequate life safety features, such as fire alarms and sprinklers. This measure would provide federal funds to ensure schools are up to par with regulations and standards.

H.R. 5928 has also been referred to the House Subcommittee on Education Reform in the Education and the Workforce Committee.

6. Student Loan Assistance

A key component of accessibility to higher education is the ability to obtain affordable student loans. Unfortunately, in a step back from this goal, the so-called College Access and Opportunity Act of 2005 (H.R. 609), introduced by my colleague, Representative (now Majority Leader) John Boehner of Ohio, passed the House 221-199 on March 30, 2006. I opposed this bill, which currently awaits Senate action.

Despite its name, this bill does little to boost college affordability. First, by cutting nearly \$12 billion from federal student aid programs and acceding to President Bush's zero funding of key student loan programs, it clearly makes it more difficult for both students and parents to borrow money to finance higher education.

Moreover, another provision in H.R. 609 would amend the Higher Education Act of 1965 (HEA) by eliminating in-school consolidation loans and a requirement that single holder borrowers consolidate with the same lender. For consolidating loans, this legislation would remove the ability of the borrower to seek better rates with other lenders, which would make it more difficult for students to repay their school loans. Currently, students are allowed to "shop" around to obtain the best rate possible from their current or other lender. However, this provision would eliminate that option.

Another setback to student loan affordability was a rise in interest rates for both student and parent loans. The rates for these loans are adjusted annually, and are determined every June 1, becoming effective July 1 through the following 12-month period. The variable rate is calculated based upon the bond equivalent rate of the 91-day treasury bill plus a premium which differs depending on whether the borrower is in-school or in repayment. Due to an increase in the treasury bond rates, student and parent loan rates were dramatically increased by nearly

2 percent on July 1, 2006. I have provided a summary of the July 1st changes to the Student and Parent Loan Programs.

Your Congressional Office

1. Office Mission and Resources

Overall, my job is to represent the people of my district and our Hawaii in our federal government to the best of my ability. That means being your voice on the great issues of our day, education-related and otherwise, listening to your concerns, letting you know what your government is doing, and helping you on your individual problems whenever and however I can.

I have a full-service congressional office in Washington, D.C. and throughout my Hawaii district to assist me in performing my duties. More information on my office and activities and opportunities can be found on my website at www.house.gov/case.

2. Contact Information

This is how you can contact my office or me generally:

Washington Office

115 Cannon House Office Building
Washington, DC 20515
Phone: (202) 225-4906
Fax: (202) 225-4987

Hawaii Office

5104 Prince Kuhio Federal Building
Honolulu, HI 96850
Phone: (808) 541-1986
Fax: (808) 538-0233

Neighbor Island Toll Free Numbers

Hawaii Island: 935-3756
Kauai/Niihau: 245-1951
Maui: 242-1818
Lanai: 565-7199
Molokai: 552-0160

E-mail: ed.case@mail.house.gov

3. Your Issues, Thoughts and Concerns

I'd very much like you to contact me with any thoughts, questions, comments or concerns facing Hawaii education and you and your community. Also, please feel free to contact any of my staff, particularly my legislative assistant for education issues, Darrell Villaruz, at either (202) 225-4906, or Darrell.Villaruz@mail.house.gov, or my caseworker for education issues, Liane Ashikawa, through the local Hawaii numbers listed on my letterhead, or at Liane.Ashikawa@mail.house.gov. Furthermore, the contact information for my entire staff and a list of their issue areas can be found at www.house.gov/case/staff.html.

4. Signup for Congressional E-mail Newsletter

I use an e-newsletter to provide frequent updates about what's happening in Washington D.C. and to ask for your input. If you haven't signed up and would like to receive these e-mails, please log onto my website at www.house.gov/case/email_list.html, or you can call or email at the above contacts to be put on our list. I may occasionally ask you to fill out electronic surveys, but I will never release your contact information to anyone else. If you have already signed up, thank you; you do not need to submit your name again.

5. Other Federal Grants and Resources

I receive many questions and requests for information regarding federal grants and other assistance, many of which have been and can be awarded to individual schools. You can go to my website for information on such grant notices, resources, and other aspects of our federal government.

There, for example, you will find contact information for federal offices in Hawaii, resources compiled by the Congressional Research Service, and a link to the Catalog of Federal Domestic Assistance (<http://www.cfda.gov>). This Catalog includes a listing of about 1,500 federal grant and assistance programs and includes a useful search engine.

Additionally, I am happy to write in support of grants for our Hawaii schools. Please e-mail me at ed.case@mail.house.gov with an abstract of your application and to whom the letter should be addressed and the deadline.

6. Arranging a Meeting or Event or Providing Congressional Messages

I truly welcome opportunities to meet personally, discuss issues of mutual concern, and address groups on issues of our day. I also greatly enjoy opportunities to join you and your community and students in the classroom or at community events or, if I can't make it, to provide a message on special occasions. I have also had the pleasure of hosting many school groups and students from throughout Hawaii in my Washington, D.C. office and giving them a tour of our U.S. Capitol. Please contact Roberta Weatherford in my Honolulu office at (808) 541-1986 or by email at roberta.weatherford@mail.house.gov.

7. This Report Online

For your convenience and use, I have placed a copy of this report online under the newsletter section of my website at www.house.gov/case/newsletter.html.

FY 2007 Labor-HHS-Education Appropriations
(\$ in millions; discretionary budget authority; program levels)

DEPARTMENT OF EDUCATION										57,176.9	56,552.8	54,995.2	56,149.2	-403.6	-0.7%	1,154.0	2.1%
Notes: Prior-year comparable levels include mandatory section 458 student financial aid administrative funding for comparability with FY 2007. The Budget Reconciliation Act of 2006 reclassifies section 458 funds from mandatory to discretionary beginning in FY 2007. FY 2006 comparable level excludes \$1.9 billion in one-time emergency appropriations for hurricane recovery assistance enacted in P.L. 109-148, FY 2006 DOD Appropriations Act and in P.L. 109-234, FY 2006 Emergency Supplemental Appropriations Act.																	
No Child Left Behind Act																	
Key NCLB Programs																	
Title 1 Grants to School Districts	24,520.8	23,504.0	24,032.7	23,010.0	-1,510.8	-6.2%	-494.0	-2.1%	-1,022.7	-4.3%							
Title 1 School Improvement State Grant	12,739.6	12,713.1	12,713.1	12,713.1	-26.4	-0.2%	0.0	0.0%	0.0	0.0%							
Reading First/Early Reading First	0.0	0.0	200.0	200.0	200.0	n.a.	200.0	n.a.	0.0	0.0%							
Teacher Quality State Grant	1,145.8	1,132.4	1,132.4	1,132.4	-13.4	-1.2%	0.0	0.0%	0.0	0.0%							
21st Century Community Learning Centers	2,916.8	2,887.4	2,887.4	2,587.0	-328.6	-11.3%	-300.4	-10.4%	-300.4	-10.4%							
Education Technology State Grant	991.1	981.2	981.2	981.2	-9.9	-1.0%	0.0	0.0%	0.0	0.0%							
Language Acquisition State Grant	496.0	272.3	0.0	0.0	-496.0	-100.0%	-272.3	-100.0%	0.0	0.0%							
Safe and Drug Free (SDF) Schools State Grant	675.8	669.0	669.0	669.0	-6.8	-1.0%	0.0	0.0%	0.0	0.0%							
State Assessment	437.4	346.5	0.0	310.0	-127.4	-29.1%	-36.5	-10.5%	310.0	n.a.							
Innovative Education State Grant	411.7	407.6	407.6	407.6	-4.1	-1.0%	0.0	0.0%	0.0	0.0%							
Comprehensive School Reform	198.4	99.0	99.0	150.0	-48.4	-24.4%	51.0	51.5%	51.0	51.5%							
Rural Education	205.3	7.9	0.0	3.0	-202.3	-98.5%	-4.9	-62.1%	3.0	n.a.							
Impact Aid	170.6	168.9	168.9	168.9	-1.7	-1.0%	0.0	0.0%	0.0	0.0%							
	1,243.9	1,228.5	1,228.5	1,228.5	-15.4	-1.2%	0.0	0.0%	0.0	0.0%							
American Competitiveness Initiative																	
Math Now for Elementary Students	0.0	0.0	125.0	0.0	0.0	n.a.	0.0	n.a.	-125.0	-100.0%							
Math Now for Middle School students	0.0	0.0	125.0	0.0	0.0	n.a.	0.0	n.a.	-125.0	-100.0%							

House Appropriations Committee
Democratic Staff

FY 2007 Labor-HHS-Education Appropriations (\$ in millions; discretionary budget authority; program levels)

	FY 2005 Comparable	FY 2006 Comparable	FY 2007 Request	FY 2007 Committee	Committee Bill Compared to FY 2005		Committee Bill Compared to FY 2006		Committee Bill Compared to Request	
					dollars	percent	dollars	percent	dollars	percent
National Mathematics Panel	0.0	0.0	10.0	0.0	0.0	n.a.	0.0	n.a.	-10.0	-100.0%
Math and Science Evaluation	0.0	0.0	5.0	0.0	0.0	n.a.	0.0	n.a.	-5.0	-100.0%
<i>Note: The Committee bill assumes an unspecified amount for the mathematics panel under the Fund for the Improvement of Education (FIE).</i>										
Advanced Placement	29.8	32.2	122.2	80.0	50.2	168.8%	47.8	148.6%	-42.2	-34.5%
Adjunct Teacher Corps	0.0	0.0	25.0	0.0	0.0	n.a.	0.0	n.a.	-25.0	-100.0%
Children with Disabilities										
IDEA Part B State Grant	10,589.7	10,583.0	10,683.0	10,733.1	143.4	1.4%	150.1	1.4%	50.1	0.5%
<i>Memo: % Federal contribution</i>										
IDEA Preschool Grant	18.6	17.8	17.0	17.0	-1.6	-8.6%	-0.8	-4.5%	0.0	0.0%
IDEA Grant for Infants and Children	384.6	380.8	380.8	380.8	-3.8	-1.0%	0.0	0.0%	0.0	0.0%
Assistive Technology	440.8	436.4	436.4	436.4	-4.4	-1.0%	0.0	0.0%	0.0	0.0%
National Technical Institute for the Deaf	29.8	30.5	22.4	30.5	0.7	2.3%	0.0	0.0%	8.1	36.0%
Gallaudet University	55.3	56.1	55.3	57.0	1.7	3.0%	0.9	1.5%	1.7	3.0%
	104.6	107.0	107.6	110.5	5.9	5.7%	3.5	3.3%	2.9	2.7%
Teacher and Principal Training										
Teacher Incentive Fund	0.0	99.0	99.0	99.0	99.0	n.a.	0.0	0.0%	0.0	0.0%
National Writing Project	20.3	21.5	0.0	21.5	1.2	5.9%	0.0	0.0%	21.5	n.a.
Teaching American History	119.0	119.8	50.0	50.0	-69.0	-58.0%	-69.8	-58.3%	0.0	0.0%
School Leadership	14.9	14.7	0.0	14.7	-0.1	-1.0%	0.0	0.0%	14.7	n.a.
NIPT/Advanced Credentialing	16.9	16.7	8.0	18.7	1.8	10.9%	2.0	12.0%	10.7	133.7%
Math and Science Partnerships	178.6	182.2	182.2	225.0	46.4	26.0%	42.8	23.5%	42.8	23.5%
American History and Civics Education Act	0.0	2.0	0.0	0.0	0.0	n.a.	-2.0	-100.0%	0.0	n.a.
Teacher Quality Enhancement	68.3	59.9	0.0	59.9	-8.4	-12.4%	0.0	0.0%	59.9	n.a.
School Safety and Citizenship										
SDF National Activities	153.6	141.1	197.0	197.0	43.4	28.2%	55.9	39.6%	0.0	0.0%
Alcohol Abuse Reduction	32.7	32.4	0.0	0.0	-32.7	-100.0%	-32.4	-100.0%	0.0	n.a.
Mentoring Programs	48.2	48.8	19.0	19.0	-29.2	-60.6%	-29.8	-61.1%	0.0	0.0%
Character Education	24.5	24.2	24.2	24.2	-0.2	-1.0%	0.0	0.0%	0.0	0.0%
School Counselors	34.7	34.7	0.0	22.0	-12.7	-36.6%	-12.7	-36.5%	22.0	n.a.
Carol M. White Physical Education for Progress	73.4	72.7	26.4	26.4	-47.0	-64.1%	-46.3	-63.7%	0.0	0.0%
Civic Education	29.4	29.1	0.0	25.0	-4.4	-15.0%	-4.1	-14.1%	25.0	n.a.
Other Elementary										
Even Start	225.1	99.0	0.0	70.0	-155.1	-68.9%	-29.0	-29.3%	70.0	n.a.
Education for Homeless Children & Youth	62.5	61.9	61.9	61.9	-0.6	-1.0%	0.0	0.0%	0.0	0.0%

House Appropriations Committee
Democratic Staff

FY 2007 Labor-HHS-Education Appropriations (\$ in millions; discretionary budget authority; program levels)

	FY 2005 Comparable	FY 2006 Comparable	FY 2007 Request	FY 2007 Committee	Committee Bill Compared to FY 2005		Committee Bill Compared to FY 2006		Committee Bill Compared to Request	
					dollars	percent	dollars	percent	dollars	percent
Reading is Fundamental	25.3	25.0	25.0	25.0	-0.3	-1.0%	0.0	0.0%	0.0	0.0%
Ready To Learn	23.3	24.3	24.3	0.0	-23.3	-100.0%	-24.3	-100.0%	-24.3	-100.0%
Ready To Teach	14.3	10.9	0.0	0.0	-14.3	-100.0%	-10.9	-100.0%	0.0	n.a.
Arts in Education	35.6	35.3	0.0	0.0	-35.6	-100.0%	-35.3	-100.0%	0.0	n.a.
<i>Note: The Committee bill assumes an unspecified amount for Reading is Fundamental and Arts in Education under the Fund for the Improvement of Education (FIE).</i>										
Foundations for Learning	1.0	1.0	0.0	0.0	-1.0	-100.0%	-1.0	-100.0%	0.0	n.a.
Women's Educational Equity	3.0	2.9	0.0	0.0	-3.0	-100.0%	-2.9	-100.0%	0.0	n.a.
FIE: Earmarked Projects	245.0	0.0	0.0	89.0	-156.0	-63.7%	89.0	n.a.	89.0	n.a.
Secondary, Vocational and Adult Education										
High School Intervention	0.0	0.0	1,475.0	0.0	0.0	n.a.	0.0	n.a.	-1,475.0	-100.0%
Serving Readers	24.8	29.7	100.0	35.0	10.2	41.1%	5.3	17.8%	-65.0	-65.0%
Dropout Prevention	4.9	4.9	0.0	0.0	-4.9	-100.0%	-4.9	-100.0%	0.0	n.a.
Vocational Education State Grant	1,194.3	1,182.4	0.0	1,182.4	-11.9	-1.0%	0.0	0.0%	1,182.4	n.a.
Adult Education State Grant	569.7	564.0	564.0	564.0	-5.7	-1.0%	0.0	0.0%	0.0	0.0%
Smaller Learning Communities	94.5	93.5	0.0	50.0	-44.5	-47.1%	-43.5	-46.5%	50.0	n.a.
Student Financial Aid										
Pell Grants	12,365.0	13,045.2	12,659.7	13,009.0	644.0	5.2%	-36.2	-0.3%	349.3	2.8%
<i>Memo: Maximum Pell Grant</i>										
Supplemental Educational Opportunity Grants	4,050	4,050	4,050	4,150	100.0	2.5%	100.0	2.5%	100.0	2.5%
College Work Study	778.7	770.9	770.9	770.9	-7.8	-1.0%	0.0	0.0%	0.0	0.0%
Perkins Loan Cancellations	990.3	980.4	980.4	980.4	-9.9	-1.0%	0.0	0.0%	0.0	0.0%
Leveraging Educational Assistance (LEAP)	66.1	65.5	0.0	65.5	-0.7	-1.0%	0.0	0.0%	65.5	n.a.
Thurgood Marshall Scholarships	65.6	65.0	0.0	65.0	-0.7	-1.0%	0.0	0.0%	65.0	n.a.
B.J. Stupak Olympic Scholarships	3.0	2.9	0.0	3.0	-0.1	-3.3%	-0.1	-3.3%	0.0	0.0%
Student Financial Aid Administration	1.0	1.0	0.0	1.0	0.0	0.0%	0.0	0.0%	1.0	n.a.
	719.1	718.8	733.7	713.7	-5.4	-0.7%	-5.1	-0.7%	-20.0	-2.7%
Higher Education										
Migrant Education (HEP/CAMP)	34.3	33.9	33.9	33.9	-0.3	-1.0%	0.0	0.0%	0.0	0.0%
TRIO	836.5	828.2	380.1	828.2	-8.4	-1.0%	0.0	0.0%	448.1	117.9%
GEAR UP	306.5	303.4	0.0	303.4	-3.1	-1.0%	0.0	0.0%	303.4	n.a.
Hispanic Serving Institutions	95.1	94.9	94.9	94.9	-0.2	-0.2%	0.0	0.0%	0.0	0.0%
Historically Black Colleges	238.6	238.1	238.1	238.1	-0.5	-0.2%	0.0	0.0%	0.0	0.0%
Howard University	238.8	237.4	237.4	237.4	-1.4	-0.6%	0.0	0.0%	0.0	0.0%
Child Care Access Means Parents in School	16.0	15.8	15.8	15.8	-0.2	-1.0%	0.0	0.0%	0.0	0.0%
Fund for the Improvement of Postsecondary Education	162.1	22.0	22.0	90.1	-72.0	-44.4%	68.1	308.8%	68.1	309.8%

Houses Appropriations Committee
Democratic Staff

FY 2007 Labor-HHS-Education Appropriations

(\$ in millions; discretionary budget authority; program levels)

	FY 2005		FY 2006		FY 2007		Committee Bill Compared to FY 2005		Committee Bill Compared to FY 2006		Committee Bill Compared to Request	
	Comparable	Comparable	FY 2006 Request	FY 2007 Committee	dollars	percent	dollars	percent	dollars	percent	dollars	percent
Memo: Earmarked Projects												
National Security Foreign Language Initiative												
Foreign Language Assistance (K-12)	17.9	21.8	23.8	21.8		3.9	22.0%	0.0	0.0%	-2.0	-8.4%	
Title VI International Education & Foreign Language	106.8	105.8	106.8	105.8		-1.1	-1.0%	0.0	0.0%	-1.0	-0.9%	
Foreign Language Partnerships	0.0	0.0	24.0	0.0		0.0	n.a.	0.0	n.a.	-24.0	-100.0%	
Research, Dissemination and Statistics												
Research and Statistics	255.1	252.6	255.6	255.6		0.4	0.2%	3.0	1.2%	0.0	0.0%	
Regional Education Laboratories	66.1	65.5	65.5	65.5		-0.7	-1.0%	0.0	0.0%	0.0	0.0%	
Statewide Data Systems	24.8	24.6	54.6	36.0		10.2	41.1%	10.4	42.6%	-19.6	-35.8%	
National Assessment of Educational Progress	94.1	93.1	97.1	97.1		3.1	3.3%	4.0	4.3%	0.0	0.0%	
Departmental Mgt. - Program Administration	419.3	411.2	426.0	423.9		4.6	1.1%	12.8	3.1%	-2.1	-0.5%	



A Summary of the July 1, 2006 Changes to the Student and Parent Loan Programs

**THE HONORABLE GEORGE MILLER
SENIOR DEMOCRATIC MEMBER
COMMITTEE ON EDUCATION AND THE WORKFORCE
UNITED STATES HOUSE OF REPRESENTATIVES**

June 2006

Student Loans: What Changes on July 1st?

Background: Key Student Loan Programs

1. Student Loans- the Stafford Loan Program

Undergraduate students can borrow money for education through the federal Stafford Loan program. There are two ways a student can borrow:

- The Direct Loan program (DL), where the Department of Education loans money directly to students, and
- The Federal Family Education Loan program (FFEL), where students borrow money through independent lenders.

Regardless of whether a student borrows from the DL or FFEL program, they may receive a subsidized or unsubsidized loan.

- In a subsidized loan, the Department of Education will pay the interest while the student is in school or in a deferment period. Subsidized loans are awarded based on financial need.
- In an unsubsidized loan, the interest accrued during school or in deferment periods are added to the amount of the loan, and must be repaid by the borrower.

2. Parent Loans- the PLUS Loan Program

Parents of undergraduate students can borrow money through the federal Parent Loans for Undergraduate Students (PLUS) program. Like student loans, PLUS loans are offered through both the DL and FFEL programs. Repayment begins within 60 days of the loan, and the government does not subsidize interest payments.

3. Consolidation Loans

Any borrower can consolidate his or her existing Stafford or PLUS loans to only have one monthly payment, lock in a low fixed rate, and extend the repayment period of the loans, decreasing the monthly payment. In most cases, borrowers may only consolidate their loans once.

Borrowers may consolidate if they are still in the grace period, locking in even lower interest rates than if they waited to consolidate when in the repayment period. However, lenders are not required to honor the grace period and may request that payments begin immediately.

Borrowers may now consolidate with any lender, not just the one through which they originally took the loans.

Student Loans: What Changes on July 1st?

What Happens to New Loans on July 1?

Due to the \$12 billion Republican Raid on Student Aid, student and parents borrowing money for college will face some real changes on July 1, 2006.

Prior to July 1, 2006, interest rates on student and parent loans changed each year and were based on the last 91-day T-bill in the month of May. Currently, interest rates for students are 5.3%, while rates for parents are 6.1%.

After July 1, 2006:

- Students borrowing any new Stafford loans will face a fixed interest rate of 6.8%.
- Parents borrowing any new PLUS loans through the FFEL program will face a fixed interest rate of 8.5%.
- Due to a drafting error in the Higher Education Reconciliation Act, the 8.5% interest rate hike for parent borrowers only affects parents borrowing from the FFEL program. Parents borrowing any new PLUS loans from the DL program will face a new fixed interest rate of 7.9% on July 1.
- Additionally, beginning July 1, graduate students will be eligible to borrow through the PLUS program.

Rates	NEW LOANS			
	STUDENT LOANS		PLUS LOANS	
	DL	FFEL	DL	FFEL
Current	5.30%	5.30%	6.10%	6.10%
On or After July 1, 2006	6.80%	6.80%	7.90%	8.50%

What Happens to Consolidation Loans on July 1?

Consolidation loan rates are based on the weighted average of all of the interest rates on the loans at the time of consolidation, rounded up to the nearest one-eighth of a percent. Therefore, after July 1, 2006 the rate for consolidation loans will continue to change based on the variable interest rate of loans taken out prior to July 1, 2006.

Currently, borrowers can consolidate their student loans at a rate of 5.3%, or 4.75% if they are still in a grace period. Parent borrowers can consolidate their loans at a rate of 6.1%.

Student Loans: What Changes on July 1st?

After July 1, 2006:

- The rate on most new student consolidation loans will be 7.14%, or 6.54% if the borrower is in a grace period.
- The rate on most new parent consolidation loans will be 7.94%.

Rates	CONSOLIDATION LOANS	
	STUDENT LOANS	PARENT LOANS
Current	5.30%	6.10%
On or After July 1, 2006	7.14%	7.94%

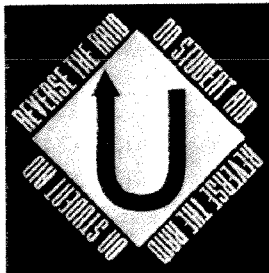
For more information, visit the Consolidation Fact Page:

<http://edworkforce.house.gov/democrats/studentloanconsolidation.html>

How Would the Democratic Plan Help Students?

Congressional Democrats introduced a bill to cut interest rates in half on new education loans.

H.R. 5150, the **Reverse the Raid on Student Aid Act**, puts students and their families first by **making college more affordable** by:



- **Cutting interest rates in half for the borrowers in most need—on subsidized student loans—from a fixed rate of 6.8% to a fixed rate of 3.4%; and,**
- **Cutting rates on parent loans for undergraduate students and on loans for graduate students from a fixed rate of 8.5% to a fixed rate of 4.25%.**

Under this bill the typical undergraduate student borrower, with \$17,500 in debt, would save \$5,600 over the life of his or her loans.

For more information on the Reverse the Raid on Student Aid bill, visit:

<http://edworkforce.house.gov/democrats/pdf/reverseraid.pdf>

To see how the Democratic plan affects student and parent borrowers, visit the Student Debt Calculator:

<http://edworkforce.house.gov/democrats/calculator.html>